

Improving Medicare payment for low-volume and isolated outpatient dialysis facilities

ISSUE: Dialysis treatment volume is highly correlated with dialysis facilities' costs. The greater the facility's service volume, the lower its costs per treatment. The ESRD PPS includes a payment adjustment for facilities with low treatment volume and a separate adjustment for facilities located in rural locations. The rural payment adjustment does not consider a facility's treatment volume or its proximity to other facilities.

KEY POINTS: In 2017, 40 percent of the facilities receiving the low-volume payment adjustment were located near other facilities, indicating that they might not have been necessary for ensuring access to care. About 50 percent of rural facilities receiving the rural payment adjustment were high-volume (with 6,000 or more total treatments in 2017), and about 30 percent of rural facilities were located near other facilities.

ACTION: At the October 2019 meeting, Commissioners will discuss approaches to improve payment for low-volume and isolated outpatient dialysis facilities.